Consumer Confidence Survey

- Business
- Employment
- Income
- Inflation
- Interest Rates
- Stock Prices

November 1988

CONFIDENCE REBOUNDS

The measure of consumer confidence, which registered a sizeable drop in September, regained most of the lost ground in October. The Board's Consumer Confidence Index (1985 = 100) was up close to 7 points in the month. People were moderately more positive in their assessment of the ongoing economic situation, and substantially more positive in their expectations for the future. Buying plans were mixed to soft.

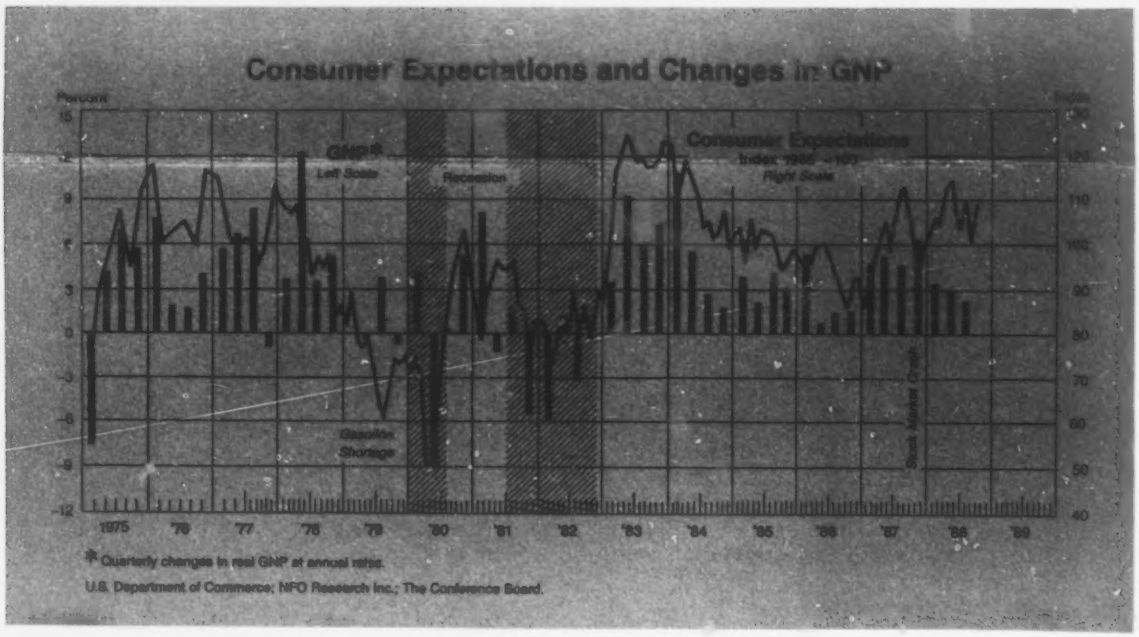
On the question concerning current business conditions, about the same number as last time say they are "good," but fewer than previously say they are "bad." On prevailing employment conditions, sentiment is about the same as it was a month earlier.

However, consumers are now a good deal more confident in looking ahead to the next six months. Close to 21% expect business conditions to improve, only 7% fear that they will worsen. Both figures are more optimistic than a month earlier. Similarly, people feel slightly more secure about employment prospects. Concerning their own family income, slightly more respondents than last time expect their financial fortunes to improve.

Intentions to buy an automobile were cited by 6.7% of all survey participants, down from an immediately prior 7.8 percent. The current car reading is lower than it has been for some time. Plans to purchase a home, which had dropped to 3.3% a month earlier, inched back to 3.7% in the latest probe. But intentions to secure a major appliance dropped to 26% of all those contacted, from a preceding 30 percent.

The improvement in the consumer's spirits in October is reassuring but still not fully convincing. The decline in confidence in September is consistent with the recent weaker readings of some of the major economic indicators. The GNP growth rate slowed in the third quarter to 2.2% from a previous 3.0 percent. In the previous month's issue of this publication, it was suggested that the sag in confidence in September could either have been an early sign of an economic downturn, or just a temporary pause in growth. The October survey findings tend to suggest the latter.

Fabian Linden



A Monthly Report from the ***Consumer Research Center***, The Conference Board

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

				Business					Employment			Income
	1987			1988								
All series seasonally adjusted	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sep.(r)*	*Oct.(p)*
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	115.1	100.8	107.7	109.9	114.9	112.7	115.7	120.2	115.7	113.5	119.7	110.7	117.4
Present Situation	124.4	115.6	119.8	121.5	129.1	124.5	120.2	129.0	126.3	128.2	135.1	126.7	130.0
Expectations	108.9	90.9	99.6	102.2	105.5	104.9	112.8	114.4	108.6	103.7	109.4	100.1	109.0
Appraisal of Present Situation: Percent													
Business Conditions													
Good	30.9	26.4	24.6	26.4	29.6	29.1	28.3	31.6	27.4	28.4	32.2	28.2	28.6
Bad	19.4	20.3	18.5	18.3	18.9	18.8	20.9	18.4	19.7	19.1	17.2	19.2	16.3
Normal	49.7	53.3	56.7	55.3	51.5	52.1	50.8	50.0	52.9	52.5	50.6	52.6	55.1
Employment													
Jobs plentiful	28.5	26.8	27.0	29.5	31.4	28.9	27.8	30.8	31.1	31.3	32.3	29.9	29.4
Jobs not so plentiful	47.4	47.0	49.4	44.8	45.9	47.0	48.1	45.4	46.1	46.2	46.0	47.7	48.2
Jobs hard to get	24.1	26.2	23.6	25.7	22.9	24.1	24.1	23.8	22.8	22.5	21.7	22.4	22.4
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	23.7	18.3	19.9	18.7	19.7	20.2	20.9	22.0	20.4	19.7	21.4	18.3	20.6
Worse	8.1	12.4	9.2	8.0	7.9	7.6	6.4	5.3	6.7	9.6	7.3	9.8	6.9
Same	68.2	69.3	70.9	73.3	72.4	72.2	72.7	72.7	72.9	70.7	71.3	71.9	72.5
Employment													
More jobs	19.3	15.5	16.8	16.2	16.7	15.8	18.2	19.0	18.3	17.7	19.0	17.2	18.4
Fewer jobs	13.8	19.1	16.6	15.6	14.4	14.0	11.9	12.6	13.8	15.0	13.6	15.4	13.1
Same	66.9	65.4	66.6	68.2	68.9	70.2	69.9	68.4	67.9	67.3	67.4	67.4	68.5
Income													
Increase	28.7	28.0	28.3	26.2	30.6	28.5	29.4	29.0	26.3	28.0	27.4	24.8	26.4
Decrease	7.3	9.1	8.4	6.3	6.5	6.7	6.0	6.0	6.4	6.2	6.3	6.9	6.9
Same	64.0	62.9	63.3	67.5	62.9	64.8	64.6	65.0	67.3	65.8	66.3	68.3	66.7
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.5	8.2	8.2	7.5	9.6	9.4	9.1	9.4	8.9	8.9	7.5	7.8	6.7
New	4.2	4.3	4.5	3.7	4.7	5.3	5.5	4.9	5.0	4.6	4.2	4.1	3.4
Used	3.0	2.8	3.0	3.0	3.5	3.3	3.1	3.3	3.4	3.4	2.8	2.7	2.7
Uncertain	1.3	1.2	0.7	0.8	1.4	0.8	0.5	1.2	0.5	0.9	0.5	1.0	0.6
Home													
Yes	3.9	3.7	3.5	3.8	5.0	4.7	3.5	3.3	4.0	3.5	4.2	3.3	3.7
New	1.1	1.0	0.8	1.3	1.6	1.7	1.1	1.1	0.9	1.1	1.3	1.1	1.1
Lived in	1.7	2.0	1.7	1.7	2.1	2.1	1.7	1.3	2.1	1.5	2.0	1.5	1.6
Uncertain	1.1	0.7	1.0	0.8	1.3	0.9	0.7	0.9	1.0	0.9	0.9	0.7	1.0
Major appliances													
Total plans	32.0	31.1	28.2	29.4	36.0	34.0	35.0	35.8	30.3	30.1	34.3	30.3	26.1
Refrigerator	4.7	4.3	4.1	5.0	5.6	5.4	5.3	5.9	4.7	4.5	5.0	4.5	3.5
Washing machine	4.8	4.4	3.3	4.1	5.4	4.4	5.3	5.1	3.9	4.7	4.5	3.9	3.6
TV Set	7.5	7.9	7.5	6.7	8.2	8.5	7.9	8.6	7.5	6.1	8.0	7.2	6.3
Vacuum Cleaner	5.3	5.6	5.5	4.6	5.9	5.9	5.6	6.0	4.9	5.2	6.1	5.7	4.0
Range	3.6	3.2	2.8	3.1	3.5	3.2	3.9	3.1	3.1	3.2	2.7	2.8	3.2
Clothes dryer	4.0	3.7	3.1	3.7	4.2	4.2	4.4	4.9	3.8	3.8	4.3	3.4	3.0
Air conditioner	2.1	2.0	1.9	2.2	3.0	2.4	2.6	2.2	2.4	2.6	3.7	2.8	2.5
Carpet	6.7	6.8	7.7	8.3	8.3	9.5	6.2	8.7	7.6	7.1	7.7	8.2	6.2
Vacation Intended Within Six Months: Percent*													
Vacation Intended	54.3		50.9		51.2		49.7		48.5		51.6		49.5
Destination †													
U.S.	48.6		44.5		44.3		42.8		41.7		43.5		41.3
Foreign country	7.8		8.2		8.9		9.3		9.3		10.1		9.5
Means of travel													
Automobile	32.9		30.9		29.8		29.8		27.9		29.6		29.2
Airplane	20.4		18.9		19.9		19.1		20.8		21.0		18.2
Other	4.6		3.8		5.0		4.4		4.5		4.0		3.3

(p)—preliminary (r)—revised

† The U.S. and Foreign country series for December, 1987 and thereafter are not strictly comparable to earlier months.

ATTENTION DATA USERS: Data in this publication are available online. For information, phone (212) 759-0900 Ext. 216.

Inflation Interest Rates Stock Prices

Not seasonally adjusted	1987 Oct.	Nov.	Dec.	1988 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.(r)	Oct.(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.4	4.5	4.5	4.3	4.3	4.3	4.4	4.4	4.4	5.0	4.9	4.8	4.7
Interest Rates													
Higher	75.0	53.2	58.5	58.9	49.9	58.9	58.0	66.5	71.5	74.9	74.9	75.2	72.1
Same	17.2	22.8	24.1	24.9	25.7	27.6	27.6	23.6	20.0	22.1	16.2	17.0	18.6
Lower	7.8	22.0	17.4	16.2	24.4	13.5	14.4	9.9	8.5	10.6	8.9	7.8	9.3
Stock Prices													
Increase	39.9	34.1	31.1	36.0	36.6	46.9	38.7	39.3	39.8	40.3	39.2	38.5	40.7
Same	31.0	27.0	28.6	31.0	33.6	34.6	33.6	34.3	35.8	34.8	33.0	34.8	34.3
Decrease	29.1	38.9	38.3	33.0	29.8	18.4	27.7	26.4	24.4	24.9	27.8	26.7	25.0

CONSUMER CONFIDENCE BY REGION

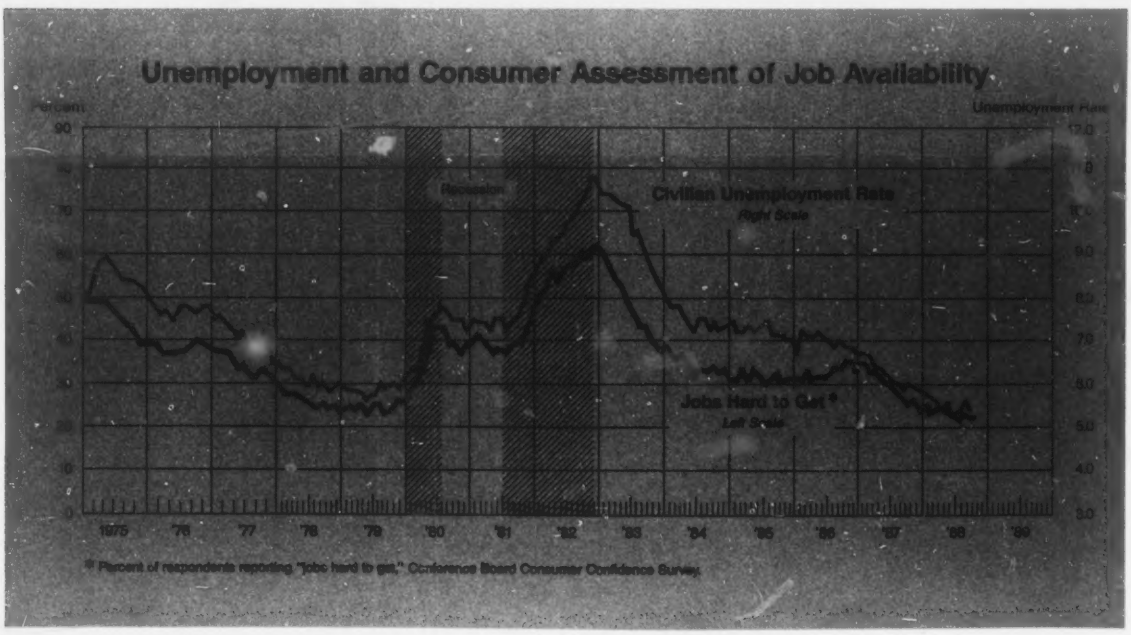
Seasonally unadjusted Index numbers:1985 = 100	1987 Oct.	Nov.	Dec.	1988 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.(r)	Oct.(p)	AVERAGE:Aug.,Sep.,Oct. 1987	1988	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	160.0	141.7	148.2	153.6	155.0	152.4	159.2	153.9	149.8	153.9	150.0	139.7	150.2	157.1	146.6	- 6.7
Present Situation	208.7	200.7	204.7	199.2	202.4	200.0	203.7	203.0	207.0	199.5	205.4	204.9	201.5	208.4	203.9	- 2.1
Expectations	127.6	102.3	110.6	123.2	123.4	120.6	129.6	121.2	111.7	123.6	113.0	96.2	116.0	122.9	108.4	-11.8
MIDDLE ATLANTIC																
Consumer Confidence Index	124.0	101.5	108.8	114.5	114.8	122.0	123.6	125.5	121.8	120.8	125.6	122.6	125.7	116.3	124.6	7.2
Present Situation	152.2	127.5	137.3	142.4	136.2	143.9	142.9	142.9	152.6	145.8	157.2	153.4	149.0	137.9	153.2	11.1
Expectations	105.2	84.3	89.8	95.9	100.5	107.4	110.7	108.1	101.3	104.1	104.6	102.1	110.2	101.9	105.6	3.6
EAST NORTH CENTRAL																
Consumer Confidence Index	103.8	88.0	87.9	97.0	97.0	95.3	104.0	108.7	102.3	95.5	104.1	99.8	112.9	99.4	105.6	6.2
Present Situation	116.0	99.4	96.3	103.4	99.2	91.3	102.8	107.7	111.0	116.5	125.7	121.9	124.3	110.0	123.9	12.7
Expectations	95.6	80.4	82.3	92.8	95.6	97.9	104.7	109.4	96.6	81.5	89.8	85.0	105.3	92.3	93.4	1.1
WEST NORTH CENTRAL																
Consumer Confidence Index	89.6	73.7	71.5	89.6	98.2	87.6	99.1	88.4	91.4	76.0	70.7	86.3	106.6	85.9	87.9	2.3
Present Situation	94.8	77.2	74.9	77.8	84.8	69.4	82.9	93.8	97.6	91.3	74.6	96.6	107.0	81.8	92.7	13.4
Expectations	86.1	71.4	69.3	97.5	107.2	99.7	109.9	84.9	87.3	65.9	68.0	79.5	106.4	88.6	84.6	- 4.5
SOUTH ATLANTIC																
Consumer Confidence Index	147.6	131.2	131.3	133.9	137.7	136.7	138.7	142.2	138.2	138.6	141.2	138.0	143.5	141.9	140.9	- 0.6
Present Situation	176.1	168.6	164.8	161.7	163.2	165.3	161.9	168.9	163.8	168.6	172.8	170.2	179.2	169.0	174.1	3.0
Expectations	128.6	106.2	109.1	115.4	120.7	117.6	123.3	124.5	121.2	118.6	120.2	116.6	119.8	123.8	118.9	- 4.0
EAST SOUTH CENTRAL																
Consumer Confidence Index	98.2	90.1	100.9	98.6	114.9	109.8	96.8	115.0	97.1	84.4	105.9	102.3	108.0	95.6	105.4	10.3
Present Situation	89.3	87.3	93.9	82.0	103.5	94.0	79.1	97.9	93.4	74.6	100.3	99.2	97.8	79.6	99.1	24.5
Expectations	104.2	92.0	105.5	109.8	122.5	120.4	108.7	126.5	99.6	91.0	109.7	104.4	114.8	106.2	109.6	3.3
WEST SOUTH CENTRAL																
Consumer Confidence Index	78.3	70.1	68.7	74.9	81.7	69.7	75.3	77.9	78.5	80.5	80.1	74.8	82.2	79.4	79.1	- 0.4
Present Situation	26.1	28.5	27.7	26.5	33.0	20.1	22.6	34.6	30.8	30.1	31.0	29.3	43.6	26.8	34.6	29.0
Expectations	113.1	97.8	96.0	107.2	114.3	102.8	110.4	106.8	110.3	114.1	112.9	105.2	108.0	114.4	108.7	- 5.0
MOUNTAIN																
Consumer Confidence Index	101.4	76.4	85.7	84.5	82.4	94.6	87.5	94.4	85.4	80.3	92.8	76.9	92.5	96.1	87.4	- 9.1
Present Situation	93.4	67.5	76.1	54.4	66.6	77.8	57.5	79.2	69.2	61.9	77.0	70.0	88.8	78.7	78.6	- 0.1
Expectations	106.8	82.4	92.1	104.5	93.0	105.8	107.6	104.6	96.2	92.7	103.4	81.6	95.0	107.8	93.3	-13.4
PACIFIC																
Consumer Confidence Index	125.3	125.5	121.2	125.2	135.2	125.2	121.1	125.5	127.0	126.7	134.0	124.6	125.6	124.8	128.0	2.6
Present Situation	151.4	152.1	148.2	140.0	157.3	150.7	135.2	149.1	153.9	161.5	161.7	160.1	154.0	149.2	158.6	6.3
Expectations	107.9	107.7	103.2	115.4	120.4	108.3	111.7	109.7	109.1	103.5	115.5	100.9	106.7	108.5	107.7	- 0.8

*Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers: 1985 = 100	1987			1988										*3 mos. Percent, Change**
	Oct.	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sep.(r)*	*Oct.(p)*	
TOTAL U.S.														
Consumer Confidence Index	115.1	100.8	107.7	109.9	114.9	112.7	115.7	120.2	115.7	113.5	119.7	110.7	117.4	– 0.5
Present Situation	124.4	115.6	119.8	121.5	129.1	124.5	120.2	129.0	126.3	128.2	135.1	126.7	130.0	2.2
Expectations	108.9	90.9	99.6	102.2	105.5	104.9	112.8	114.4	108.6	103.7	109.4	100.1	109.0	– 2.5
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	122.3	110.2	121.5	116.5	124.4	118.6	120.4	123.1	121.5	121.2	128.5	121.0	115.9	– 0.1
35-54	113.9	103.5	105.9	111.1	113.6	117.1	119.5	121.8	118.7	116.4	119.5	111.4	119.3	– 1.9
55 and over	107.2	86.7	95.6	99.1	104.6	98.7	104.4	113.8	104.7	102.2	110.4	99.1	114.1	0.9
Present Situation														
Under 35	130.6	123.0	130.6	126.5	137.8	128.0	127.1	129.9	130.1	134.5	147.0	138.2	125.9	4.2
35-54	123.6	114.4	118.3	122.5	128.4	131.9	124.5	130.3	129.9	130.5	133.8	127.2	130.0	0.1
55 and over	120.0	111.0	113.8	116.1	122.7	113.8	110.7	127.2	120.0	122.0	129.1	118.3	132.4	2.9
Expectations														
Under 35	116.7	101.6	115.6	109.7	115.4	112.3	116.0	118.7	115.7	112.4	116.1	109.7	109.4	– 3.3
35-54	107.4	96.2	97.7	103.6	103.9	107.4	116.4	116.2	111.2	107.0	109.9	100.8	112.2	– 3.4
55 and over	98.5	70.4	83.3	88.1	93.0	88.9	100.3	104.9	94.3	88.9	97.8	86.2	101.7	– 0.8
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under $15,000	87.1	74.6	83.9	85.1	89.0	83.7	89.8	94.1	88.4	82.1	88.1	87.7	92.5	1.4
$15,000-24,999	113.8	97.8	103.4	106.0	116.7	107.6	109.8	112.8	102.7	104.8	115.3	102.2	111.6	2.7
$25,000 and over	128.6	114.7	120.6	122.7	126.8	127.5	129.7	135.4	132.0	130.9	135.3	123.7	132.1	– 1.8
Present Situation														
Under $15,000	82.5	74.9	77.6	74.7	80.1	74.8	78.8	88.5	83.2	83.3	84.0	89.6	92.8	4.5
$15,000-24,999	119.0	104.2	107.7	111.6	124.2	110.7	103.9	116.7	109.0	114.7	121.6	114.6	121.7	5.1
$25,000 and over	146.3	140.2	145.5	148.5	156.2	152.6	145.5	153.5	152.1	154.2	162.7	148.2	152.8	0.9
Expectations														
Under $15,000	90.5	74.4	88.6	91.3	93.7	88.7	97.0	97.9	92.1	81.5	91.0	86.8	92.6	– 0.4
$15,000-24,999	110.4	93.5	100.6	102.1	111.3	105.2	113.7	110.3	98.6	98.3	111.2	94.1	104.9	1.0
$25,000 and over	116.5	97.6	103.6	106.1	108.2	111.4	119.4	123.4	118.5	115.3	116.8	107.2	118.1	– 4.2

***Percent Change:** average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.



Consumer Research Center
The Conference Board, 845 Third Ave., New York, N.Y. 10022